

SECOND REGULAR SESSION

# HOUSE BILL NO. 1637

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE WRIGHT.

Read 1<sup>st</sup> time January 24, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

3889L.02I

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### AN ACT

To repeal section 143.171, RSMo, and to enact in lieu thereof one new section relating to income taxation.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 143.171, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.171, to read as follows:

143.171. 1. For all tax years beginning before January 1, 1994, for an individual taxpayer and for all tax years beginning before September 1, 1993, **and on or after January 1, 2002**, for a corporate taxpayer, the taxpayer shall be allowed a deduction for [his] **such taxpayer's** federal income tax liability [under] **pursuant to** chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. For all tax years beginning on or after January 1, 1994, an individual taxpayer shall be allowed a deduction for [his] **such individual's** federal income tax liability [under] **pursuant to** chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

17 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of  
18 gasoline, special fuels, and lubricating oils).

19 3. For all tax years beginning on or after September 1, 1993, **but before January 1,**  
20 **2002**, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax  
21 liability [under] **pursuant to** chapter 1 of the Internal Revenue Code for the same taxable year  
22 for which the Missouri return is being filed after reduction for all credits thereon, except the  
23 credit for payments of federal estimated tax, the credit for the overpayment of any federal tax,  
24 and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages),  
25 section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain  
26 uses of gasoline, special fuels and lubricating oils).

27 4. If a federal income tax liability for a tax year prior to the applicability of sections  
28 143.011 to 143.996 for which [he] **a taxpayer** was not previously entitled to a Missouri  
29 deduction is later paid or accrued, [he] **such taxpayer** may deduct the federal tax in the later year  
30 to the extent it would have been deductible if paid or accrued in the prior year.